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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	Chapter 11
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RANDALL'S ISLAND FAMILY GOLF	:	Case Nos. 00 B 41065 (SMB)
CENTERS, INC., <u>et al.</u> ,	:	through 00 B 41196 (SMB)
	:	
Debtors.	:	(Jointly Administered)

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ORDER PURSUANT TO SECTIONS 105(a)  
AND 331 OF THE BANKRUPTCY CODE  
ESTABLISHING PROCEDURES FOR MONTHLY  
COMPENSATION AND REIMBURSEMENT OF  
EXPENSES OF PROFESSIONALS

Upon the motion (the "Motion") of the above captioned debtors and debtors-in-possession (collectively, the "Debtors"), for an order pursuant to sections 105(a) and 331 title 11 of chapter 11 of the United States Code (the "Bankruptcy Code"), establishing procedures for monthly compensation and reimbursement of expenses of professionals retained by order of this Court;

And it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2);

And notice of the Motion having been given to (i) the Office of the United States Trustee; (ii) Berlack, Israels & Liberman, LLP, counsel to the Official Committee of Unsecured Creditors; (iii) Morgan, Lewis & Bockius, LLP, counsel for The Chase Manhattan Bank, the Debtors' postpetition lender; (iv) United States Trust Company of New York, the Indenture Trustee for the 5¾% Convertible Subordinated Notes due October 15, 2004; and (v) all other parties who have filed a notice of appearance in these chapter 11 cases;

And it appearing that no further notice of the Motion need be given;

And this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, and creditors;

And sufficient cause appearing therefor, it is hereby

ORDERED that, except as may otherwise be provided in Court orders authorizing the retention of specific professionals, all professionals in these cases may seek

monthly compensation in accordance with the following procedure:

- (a) On or before the twentieth (20th) day of each month following the month for which compensation is sought, each professional seeking compensation under this Order shall serve a monthly statement, by hand or overnight delivery on (i) the officer designated by the Debtors to be responsible for such matters; (ii) Fried, Frank, Harris, Shriver & Jacobson, counsel to the Debtors; (iii) the Office of the United States Trustee; (iv) Berlack, Israels & Liberman, LLP, counsel to the Official Committee of Unsecured Creditors; (v) Morgan, Lewis & Bockius, LLP, counsel for The Chase Manhattan Bank, the Debtors' postpetition lender; and (vi) such other persons as the Court may designate;
- (b) The monthly statement need not be filed with the Court and a courtesy copy need not be delivered to the presiding judge's chambers because this Order is not intended to alter the fee application requirements outlined in sections 330 and 331 of the Bankruptcy Code and because

professionals are still required to serve and file interim and final applications for approval of fees and expenses in accordance with the relevant provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules for the United States Bankruptcy Court, Southern District of New York;

- (c) Each monthly fee statement must contain a list of the individuals and their respective titles (e.g. attorney, accountant, or paralegal) who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, a reasonably detailed breakdown of the disbursements incurred (no professional should seek reimbursement of an expense which would otherwise not be allowed pursuant to the Court's Administrative Orders dated June 24, 1991 and April 21, 1995 or the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under section 330 of the Bankruptcy Code and dated January 30, 1996), and contemporaneously maintained time entries for

each individual in increments of tenths (1/10)  
of an hour;

- (d) Each party receiving a statement shall have thirty (30) days after its receipt to review it and, in the event that such party has an objection to the compensation or reimbursement sought in a particular statement, the objecting party shall meet with or contact the professional person whose statement is at issue and attempt to reach an agreement regarding the correct payment to be made; provided, however, that if an agreement cannot be reached or if no meeting or discussion takes place, the Debtors' or Creditors' Committee, as the case may be, shall, no later than thirty (30) days from such party's receipt of the statement, serve upon the professional whose statement is objected to, and the other persons designated to receive statements in paragraph (a), a written "Notice Of Objection To Fee Statement," setting forth the nature of the objection and the amount of fees or expenses at issue;
- (e) At the expiration of the thirty (30) day period, the Debtors shall promptly pay eighty percent

(80%) of the fees and one hundred percent (100%) of the expenses identified in each monthly statement to which no objection has been served in accordance with paragraph (d);

- (f) If the Debtors receive an objection to a particular fee statement, they shall withhold payment of that portion of the fee statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (e);
- (g) If the parties to an objection are able to resolve their dispute following the service of a Notice Of Objection To Fee Statement, and if the party whose statement was objected to serves on all of the parties listed in paragraph (a) a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the debtor shall promptly pay, in accordance with paragraph (e), that portion of the fee statement which is no longer subject to an objection;
- (h) All objections that are not resolved by the parties shall be preserved and presented to the

Court at the next interim or final fee application hearing to be heard by the Court;

- (i) The service of an objection in accordance with paragraph (d) shall not prejudice the objecting party's right to object to any fee application made to the Court in accordance with the Bankruptcy Code on any ground whether raised in the objection or not. Furthermore, the decision by any party not to object to a fee statement shall not be a waiver of any kind or prejudice that party's right to object to any fee application subsequently made to the Court in accordance with the Bankruptcy Code;
- (j) Approximately every 120 days, but no more than every 150 days, each of the professionals shall serve and file with the Court an application for interim or final Court approval and allowance, pursuant to sections 330 and 331 of the Bankruptcy Code (as the case may be), of the compensation and reimbursement of expenses requested, the first of which shall be filed on or before September 20, 2000 and cover the period from the commencement of these cases through August 31, 2000, the second of which

shall be filed on or before January 20, 2001 and cover the period from September 1, 2000 through December 31, 2000 and the third of which shall be filed on or before May 20, 2001 and shall cover the period from January 1, 2001 through April 30, 2001;

- (k) Any professional who fails to file an application seeking approval of compensation and expenses previously paid under this Order when due shall (1) be ineligible to receive further monthly payments of fees or expenses as provided herein until further order of the Court and (2) may be required to disgorge any fees paid since retention or the last fee application, whichever is later;
- (l) The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular statement shall not disqualify a professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court;
- (m) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and



reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses of any professionals;

- (n) Counsel for each official committee may, in accordance with the foregoing procedure for monthly compensation and reimbursement of professionals, collect and submit statements of expenses, with supporting vouchers, from members of the committee he or she represents; provided, however, that such committee counsel ensures that these reimbursement requests comply with this Court's Administrative Orders dated June 24, 1991 and April 21, 1995;

and it is further

ORDERED that each professional may seek, in its first request for compensation and reimbursement of expenses pursuant to this Order, compensation for work performed and reimbursement for expenses incurred during the period beginning on the date of the professional's retention and ending on May 31, 2000; and it is further

ORDERED that the Debtors shall include all payments to professionals on their monthly operating reports, detailed

so as to state the amount paid to each of the professionals;  
and it is further

ORDERED that any party may object to requests for payment made pursuant to this Order on the grounds that the Debtors have not timely filed monthly operating reports, remained current with their administrative expenses and 28 U.S.C. § 1930 fees, or a manifest exigency exists by seeking further order of this Court. Otherwise, this order shall continue and shall remain in effect during the pendency of these cases; and it is further

ORDERED that all time periods set forth in this Order shall be calculated in accordance with Federal Rule of Bankruptcy Procedure 9006(a); and it is further

ORDERED that any and all other and further notice of the relief requested in the Motion shall be, and hereby is, dispensed with and waived; provided, however, that the Debtors must serve a copy of this Order on all entities specified in paragraph (a) hereof.

Dated: New York, New York  
June 21, 2000

S/ STUART M. BERNSTEIN  
UNITED STATES BANKRUPTCY JUDGE

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